

By: Fraser

S.B. No. 744

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the ad valorem tax status of a license to occupy a
3 dwelling unit in a tax-exempt retirement community.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter B, Chapter 23, Tax Code, is amended by
6 adding Section 23.135 to read as follows:

7 Sec. 23.135. LICENSE TO OCCUPY DWELLING UNIT IN TAX-EXEMPT
8 RETIREMENT COMMUNITY. A license to occupy a dwelling unit in a
9 retirement community that is exempt from taxation under Section
10 11.18(d)(19) is not a taxable leasehold or other possessory
11 interest in real property regardless of whether the occupant of the
12 dwelling unit is required to pay a refundable or nonrefundable
13 deposit or a periodic service fee under the contract granting the
14 occupant the license to occupy the dwelling unit.

15 SECTION 2. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2005.